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MINISTRY OF TRANSPORT AND COMMUNICATIONS

(Department of Transport)

(Transport Wing)

NOTIFICATION

New Delhi, the 29th April 1960

S.O. 1077.—In exercise of the powers conferred by section 47A read with section 48 of the Road Transport Corporations Act, 1950 (64 of 1950), the Central Government, after consultation with the Government of the State of Bombay, approves the scheme forwarded by that Government relating to the reorganisation of the Bombay State Road Transport Corporation and the dissolution of the Kutch State Road Transport Corporation and the Saurashtra State Road Transport Corporation, and for the purpose of giving effect to the said scheme, hereby makes the following Order, namely:—

PART I

1. Short title and commencement.—(1) This Order may be called the Bombay State Road Transport Corporation (Reorganisation) and Kutch and Saurashtra State Road Transport Corporations (Dissolution) Order, 1960.

(2) It shall come into force on the 1st day of May 1960.

2. Definitions.—In this Order, unless the context otherwise requires—

- (a) "Act" means the Road Transport Corporations Act, 1950 (64 of 1950);
- (b) "appointed day" means the 1st day of May 1960;
- (c) "existing Bombay Corporation" means the Bombay State Road Transport Corporation established under the Act and functioning and operating immediately before the appointed day;
- (d) "Gujarat area" means the territories referred to in sub-section (1) of section 3 of the Bombay Reorganisation Act, 1960 (11 of 1960), but excluding the Saurashtra area and the Kutch area;
- (e) "Gujarat Corporation" means the Corporation established under paragraph 3;
- (f) "Kutch area" means the territories referred to in clause (e) of sub-section (1) of section 8 of the States Reorganisation Act, 1956 (37 of 1956);
- (g) "Kutch Corporation" means the Kutch State Road Transport Corporation established under the Act;

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- (h) "Maharashtra area" means the area of operation of the existing Bombay Corporation immediately before the appointed day, excluding the Gujarat area;
- (i) "ratio of capital assets" means the ratio between the capital assets of the existing Bombay Corporation located in the Gujarat area, and those located in the Maharashtra area, on the 31st day of March 1959;
- (j) "Saurashtra area" means the territories referred to in clause (d) of sub-section (1) of section 8 of the States Reorganisation Act, 1956 (37 of 1956); and
- (k) "Saurashtra Corporation" means the Saurashtra State Road Transport Corporation established under the Act.

3. Exclusion of certain area from area of operation of existing Bombay Corporation and formation of Gujarat Corporation.—As from the appointed day, the existing Bombay Corporation shall cease to function in the Gujarat area; and there shall be established on that day a new Corporation for the whole of the State of Gujarat under the name of the Gujarat State Road Transport Corporation.

4. Dissolution of Kutch and Saurashtra Corporations.—As from the appointed day, the Kutch Corporation and the Saurashtra Corporation shall stand dissolved.

PART II

5. Transfer of certain permits and licences of existing Bombay Corporation.—Any permit or licence granted to the existing Bombay Corporation which, immediately before the appointed day, was valid and effective, shall—

- (a) if the permit or licence relates exclusively to the Gujarat area or if it relates to a route which is an inter-State route immediately before the appointed day and the terminus of the route is located in the Gujarat area, be deemed to have been granted to the Gujarat Corporation; and
- (b) in any other case, continue to be the permit or licence of the existing Bombay Corporation:

Provided that where any permits or licences relate to routes which by virtue of the provisions of the Bombay Reorganisation Act, 1960, become inter-State routes on the appointed day, such of those permits or licences shall be transferred to the Gujarat Corporation as may be agreed upon between the two State Governments of Gujarat and Maharashtra by the 1st June, 1960, or, in default of such agreement, as the Central Government may by order determine, and on such transfer the permits or licences shall be deemed to have been granted to the Gujarat Corporation.

6. Import Licences and Quota Certificates.—The goods covered by import licences and quota certificates obtained by the existing Bombay Corporation for specific schemes, shall be allocated to the existing Bombay Corporation or the Gujarat Corporation, according to the location of the said schemes, and the other goods applied for or obtained on the basis of such import licences and quota certificates in pursuance of applications made before the appointed day, shall be divided in the ratio of capital assets or, in such other manner as may be agreed upon between the two Corporations.

7. Transfer of assets and funds of existing Bombay Corporation.—(1) Subject to the other provisions of this Part, all land and all motor vehicles, machinery, stores, articles and other goods belonging to the existing Bombay Corporation on the 31st March, 1959, shall, if situated within the Gujarat area, pass to the Gujarat Corporation and, if situated within the Maharashtra area, remain with the existing Bombay Corporation.

(2) All land, motor vehicles, machinery, stores, articles and other goods acquired and allocated after the 31st March, 1959 and before the appointed day for specific schemes or purposes provided in the budget estimates of 1959-60 under proper sanction of the Board of the existing Bombay Corporation or any of its committees, shall pass to the Gujarat Corporation, if the said schemes or purposes are relatable to the Gujarat area and to the existing Bombay Corporation if the said schemes or purposes are relatable to the Maharashtra area.

Explanation.—For the purposes of sub-paragraphs (1) and (2), the expression 'land' includes immovable property of every kind and any rights in or over such property.

(3) All motor vehicles, machinery, stores, articles and other goods belonging to the existing Bombay Corporation on the appointed day but not covered by sub-paragraphs (1) and (2) shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the ratio of capital assets:

Provided that for the purposes of such division, there shall be no transfer of any such motor vehicles, machinery, stores, articles or other goods to the Gujarat Corporation and the apportionment shall be effected by making necessary financial adjustment, unless otherwise agreed to by the two Corporations.

(4) Notwithstanding anything contained in sub-paragraphs (1) and (2) the staff vehicles attached to the Central Office and Central Stores at Bombay, and the stores held by the Central Stores at Bombay, and the central pooled civil engineering stores held by the Executive Engineer at Bombay shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the ratio of capital assets.

(5) As from the appointed day, the unspent capital of the existing Bombay Corporation shall be allocated firstly for completing the works actually in progress before the appointed day; and secondly, for completing sanctioned and budgeted schemes and the remaining capital, if any, shall be divided between the Gujarat Corporation and the existing Bombay Corporation in such proportion as the Central Government may determine.

(6) The Third Party Insurance Fund shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the same proportion in which the total number of vehicles of the existing Bombay Corporation, including goods vehicles, are divided between them.

(7) The Property Insurance Fund shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the same proportion in which the capital value of the property insured by the said fund is so divided.

(8) (a) The amount in the Depreciation Fund in respect of vehicles transferred to the Gujarat Corporation by virtue of the provisions of this Part shall be allocated to the said Corporation.

(b) The amount in the Depreciation Fund in respect of the assets other than vehicles transferred to the Gujarat Corporation by virtue of the provisions of this Part shall be allocated in the same ratio as the book value of the said assets transferred to the said Corporation bears to the book value of such assets transferred to the existing Bombay Corporation.

(9) The amount of the Contributory Provident Fund standing to the credit of an employee of the existing Bombay Corporation who, by virtue of the provisions of this Part, is allotted to serve in connection with the affairs of the Gujarat Corporation, shall be transferred to that Corporation.

(10) The Reserve Fund and the Development Rebate Reserve shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the ratio of capital assets.

(11) Subject to the provisions of sub-paragraph (12), the cash balances held by the existing Bombay Corporation in any bank, treasury or sub-treasury immediately before the appointed day shall—

(a) if such a bank, treasury or sub-treasury is situated in the Gujarat area, pass to the Gujarat Corporation;

(b) in any other case, continue to vest in the existing Bombay Corporation.

(12) The call deposits, the fixed deposits and other deposits shall, after deducting therefrom the amounts referred to in sub-paragraph (17) and an amount equal to the assets mentioned in sub-paragraph (1) of paragraph 10, be divided in the ratio of capital assets, and the amounts so deducted shall be dealt with in accordance with the provisions of the said sub-paragraphs.

(13) The sinking Fund created for the redemption of the Debenture Loans of 1952 and 1954 shall continue to vest in the existing Bombay Corporation.

(14) The Insurance Fund for risk in carriage of goods for hire shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the ratio of the total number of vehicles, both passenger and goods, allotted to them.

(15) The Welfare Fund and the Compassionate Fund shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the same ratio as the total number of employees allotted to them on the appointed day.

(16) The liability on account of the provision made for clearing the backlog in the reconditioning of vehicles shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the same proportion as the number of vehicles due for reconditioning on the appointed day. In the Gujarat area bears the number of such vehicles in the Maharashtra area.

(17) The amounts earmarked for the provision for "obsolescence of stores" and for write off in respect of the anticipated loss in the disposal of surplus stores shall continue to vest in the existing Bombay Corporation and shall be treated as a joint fund which shall be utilised for meeting the loss, if any, that may be incurred in the disposal of stores which have, before the appointed day, been declared obsolete. Actual losses incurred in the disposal of such obsolete stores shall be debited to the joint fund and any credit or debit balances remaining in the fund after the completion of the disposal shall be allocated between the Gujarat Corporation and the existing Bombay Corporation in the ratio of capital assets.

Explanation 1.—The administration of the joint fund and disposal of stores so declared obsolete shall be carried out by the existing Bombay Corporation in accordance with such principles and procedure as may be agreed upon between the existing Bombay Corporation and the Gujarat Corporation.

Explanation 2.—The stores declared obsolete before the appointed day shall, until disposal, be shown in the accounts at their book value.

(18) The liability on account of the provision made for the payment of gratuity shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the same ratio as the total number of qualifying years of service collectively put in upto the appointed day by employees allocated to each of the two Corporations.

Explanation.—"Qualifying years of service" means the number of completed years of continuous service.

(19) The securities shall be divided scripwise between the Gujarat Corporation and the existing Bombay Corporation in the same proportion in which the total balances in the Funds referred to in sub-paragraphs (6), (7), (8), (9), (10), (13), (14) and (15) are so divided:

Provided that the rounding off in the case of each security may be made to the nearest unit of Rs. 100/-.

(20) The liability, if any, of the existing Bombay Corporation in respect of income-tax and wealth tax upto the appointed day less the amount recoverable on this account from the Governments of Mysore and Rajasthan towards their share of the liability upto the 31st December, 1956, shall be shared by the existing Bombay Corporation and the Gujarat Corporation in the ratio of capital assets.

(21) The asset or liability in respect of the amounts recoverable from or payable to the Governments of Mysore and Rajasthan as a result of the division of assets and liabilities as on the 31st December, 1956, and on account of supplies made and services rendered to them upto the appointed day, shall be divided between the Gujarat Corporation and the existing Bombay Corporation in the ratio of capital assets.

(22) The amounts paid by the existing Bombay Corporation for the purchase of furniture, other office equipment and store bins required for the Central Office and Central Stores of the Gujarat Corporation and for the construction of staff quarters for the staff of these offices and for capital expenditure on Civil Works shall be accounted for as an "advance" to the Gujarat Corporation and adjusted accordingly in the allocation of assets and liabilities between that Corporation and the existing Bombay Corporation.

Explanation.—The assets created by the aforesaid payments shall be excluded from the value of the inventory of assets as on the 31st March 1960 and also on the day immediately preceding the appointed day.

(23) The amount of motor vehicles tax paid by the existing Bombay Corporation before the appointed day for the year 1960-61 in respect of vehicles owned by it shall be accounted for as an "advance" and the portion of the aforesaid "advance" for the period from the appointed day to the 31st March 1961, in respect of the vehicles allotted to the Gujarat Corporation shall be adjusted in the allocation of assets and liabilities between that Corporation and the existing Bombay Corporation.

8. **Contracts.**—Where, before the appointed day, the existing Bombay Corporation has made any contract, that contract shall be deemed to have been made—

- (a) if the purposes of the contract are, as from the appointed day, exclusively relatable to the Gujarat area, by the Gujarat Corporation;
- (b) in any other case, by the existing Bombay Corporation, and all rights and liabilities which have accrued, or may accrue, under any such contract shall, to the extent to which they would have been rights or liabilities of the existing Bombay Corporation, be rights or liabilities of the Gujarat Corporation or the existing Bombay Corporation, as the case may be.

9. **Allocation of Road Development Fund.**—Out of the amount of Rs. 15 lakhs earmarked for Road Development Fund under section 30 of the Act, a sum of Rs. 2,08,020 shall be allocated to the existing Bombay Corporation and a sum of Rs. 1,64,694 to the Gujarat Corporation; and the remaining amount shall be divided between the two Corporations in the ratio of capital assets.

10. **Transfer of liabilities of existing Bombay Corporation.**—(1) The debenture loans of 1952 and 1954 floated by the existing Bombay Corporation shall continue to be the liability of that Corporation and assets equivalent to the said liability less the investment in the Sinking Fund shall be allocated to that Corporation.

(2) The liability of the existing Bombay Corporation in respect of the Canadian Aid (including the portion of the aid converted to preference capital) received by it under the Colombo Plan shall be apportioned between the Gujarat Corporation and the existing Bombay Corporation in the same proportion in which the investment has, before the appointed day, been made out of the said aid in the Gujarat area and the rest of the area of operation of the existing Bombay Corporation.

Explanation.—For the purpose of this sub-paragraph, "Canadian Aid" means the aid in the form of vehicles, machinery, stores and other assets received by the existing Bombay Corporation as part of the agreement between the Governments of Canada and India, and includes the expenditure incurred by that Corporation on freight, insurance, customs duty and other charges on such assets and the cost of building bodies of the vehicles so received.

(3) The liability of the Gujarat Corporation to the Central Government in respect of the capital provided by that Government to the existing Bombay Corporation before the appointed day shall be in the same ratio as the capital assets vested in that Corporation bear to the total capital assets; and the liability of the existing Bombay Corporation in respect of such capital shall be correspondingly reduced.

(4) The liability of the Gujarat Corporation to the Government of Gujarat in respect of the capital provided by the Government of Bombay to the existing Bombay Corporation before the appointed day shall be in the same ratio as the capital assets vested in that Corporation bear to the total capital assets; and the liability of the existing Bombay Corporation to the Government of Maharashtra in respect of such capital shall be reduced by the amount for which the Gujarat Corporation becomes liable as aforesaid to the Government of Gujarat.

11. **Residuary provision**—The benefit or burden of any assets or liabilities of the existing Bombay Corporation not dealt with in the foregoing provisions shall—

- (a) if the assets are situate, or the liability has arisen or arises, in the Gujarat area, pass to the Gujarat Corporation; and
- (b) in any other case, continue to be the benefit or burden of the existing Bombay Corporation;

Provided that the initial allocation of the benefit or burden under this paragraph shall be subject to such financial adjustment as may be agreed upon

between the parties concerned, or in default of such agreement, as the Central Government may direct.

12. Financial adjustment by the Central Government.—When all the assets and liabilities of the existing Bombay Corporation have been apportioned in accordance with the foregoing provisions of this Part between the Gujarat Corporation and the existing Bombay Corporation and the Central Government is of the opinion that it is necessary to make any financial adjustment in order to ensure that the net surplus of assets over liabilities vesting in each of them bears the same proportion as its share of capital assets bears to the total capital assets divided between them, the Central Government may direct such financial adjustment by transferring cash balances, securities and other investments from one party to the other as it may deem just and equitable.

Explanation.—The provision in the Sinking Fund shall be included in the assets of the existing Bombay Corporation in determining the financial adjustment referred to above.

13. Provision relating to employees of existing Bombay Corporation.—(1) Every employee of the existing Bombay Corporation appointed to a post in the Gujarat area shall, as from the appointed day, be deemed to have been allotted to serve in connection with the affairs of the Gujarat Corporation.

(2) Nothing in this paragraph shall be deemed to affect the right of the Gujarat Corporation to determine, after the appointed day, the conditions of service of persons allotted to it under sub-paragraph (1):

Provided that the conditions of service applicable immediately before the appointed day to the case of any such person shall not be varied to his disadvantage except with the previous approval of the Central Government.

14. Legal Proceedings.—Where immediately before the appointed day, the existing Bombay Corporation is a party to any legal proceedings with respect to any property, rights or liabilities transferred to the Gujarat Corporation under this Part, the latter shall be deemed to be substituted for the existing Bombay Corporation as a party to these proceedings, or added as a party thereto, as the case may be, and the proceedings may continue accordingly.

15. Power of the Central Government to order allocation or adjustment in certain areas.—Where by virtue of any of the provisions of this Part, any of the parties, namely, the existing Bombay Corporation or the Gujarat Corporation becomes entitled to any property or obtains any benefits or becomes subject to any liability and the Central Government, on a reference made within a period of three years from the appointed day, by the State of Maharashtra or Gujarat, is of opinion that it is just and equitable that that property or those benefits should be transferred to, or shared with, the other party, or that a contribution towards that liability should be made by the other party, the said property or benefits shall be allocated in such manner, or the other party shall make to the party primarily subject to the liability such contribution in respect thereof, as the Central Government may, after consultation with the State Governments concerned, determine.

PART III

16. Transfer of permits and licences of Kutch and Saurashtra Corporations.—Any permit or licence granted to the Kutch Corporation or the Saurashtra Corporation which, immediately before the appointed day, was valid and effective shall be deemed to have been granted to the Gujarat Corporation.

17. Transfer of assets.—(1) Subject to the other provisions of this Part, all land and all motor vehicles, machinery, stores, articles and other goods belonging to the Kutch and Saurashtra Corporations shall, as from the appointed day, pass to the Gujarat Corporation.

Explanation.—For the purposes of this sub-paragraph, the expression “land” includes immovable property of every kind and any rights in or over such property.

(2) The cash balances held by the Kutch and Saurashtra Corporations in any bank, treasury or sub-treasury immediately before the appointed day shall pass to the Gujarat Corporation.

18. **Contracts.**—Where, before the appointed day, the Kutch or the Saurashtra Corporation has made any contract, that contract shall be deemed to have been made by the Gujarat Corporation and all rights and liabilities such have accrued, or may accrue, under any such contract shall, to the extent to which they would have been rights or liabilities of the Kutch Corporation or, as the case may be, the Saurashtra Corporation, be the rights or liabilities of the Gujarat Corporation.

19. **Provision relating to capital.**—Where any capital is provided upon any terms and conditions by the Central Government or the State Government to the Kutch Corporation or to the Saurashtra Corporation, the same shall be deemed to have been provided on the appointed day upon the like terms and conditions to the Gujarat Corporation by the Central Government or the State Government, as the case may be.

20. **Residuary provision.**—The benefit or burden of any assets or liabilities of the Kutch Corporation or the Saurashtra Corporation not dealt with in the foregoing provisions of this Part shall, as from the appointed day, pass to the Gujarat Corporation.

21. **Provision relating to employees.**—(1) Every person who, immediately before the appointed day, is an employee of the Kutch Corporation or the Saurashtra Corporation (including any person on deputation to any such Corporation) shall, as from the appointed day, be deemed to be taken over and appointed by the Gujarat Corporation and, subject to the provisions of sub-paragraph (2), be continued to be employed by that Corporation on the same terms and conditions including the pay as were applicable to him immediately before that day.

(2) Nothing in sub-paragraph (1) shall be deemed to affect the right of the Government of Gujarat or of the Gujarat Corporation, with the previous sanction of that Government, to determine or vary, after that day, subject to the provisions of section 77 of the Bombay Reorganisation Act, 1960, the conditions of service of any such employee or person.

22. **Legal Proceedings.**—Where, immediately before the appointed day, the Kutch Corporation or the Saurashtra Corporation is a party to any legal proceedings with respect to any property, rights or liabilities transferred to the Gujarat Corporation under this Part, the Gujarat Corporation shall be deemed to be substituted for that Corporation as a party to those proceedings, and the proceedings may continue accordingly.

[No. 2-T(11)/60.]

D. D. SURI, Dy. Secy.

